NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-2514

Arch Petroleum Inc.
300 North Marienfeld
Suite 600
Midland, Texas 79701

Attention: Ms. Robin S. McCarley

> *Plains Knight No. 2*
> *API No. 30-025-11208*
> *Unit N, Section 23, Township 24 South, Range 37 East, NMPM,*
> *Lea County, New Mexico.*
> *Fowler-Upper Yeso (Oil -26680),*
> *South Fowler-Tubb (26635) and,*
> *Fowler-Abo (Oil – 96455) Pools*

Dear Ms. McCarley:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the well are hereby established as follows:

<div style="text-align:center">

Oil 187 B/D   Gas 1122 MCFG/D   Water 374 B/D

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Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Fowler-Upper Yeso Pool	Oil-27%	Gas-37%
South Fowler-Tubb Pool	Oil-27%	Gas-43%
Fowler-Abo Pool	Oil-46%	Gas-20%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 22nd day of November, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs